

**Proposed Rule**  
LSA Document #17-306

DIGEST

Amends [405 IAC 5-5-1](#) and [405 IAC 5-5-2](#) to allow the office of the secretary of family and social services to designate out-of-state providers as in-state for the purposes of reimbursement and prior authorization requirements. Establishes requirements for such a designation to be made by the office. Effective 30 days after filing with the Publisher.

[IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses](#)

[405 IAC 5-5-1](#); [405 IAC 5-5-2](#)

SECTION 1. [405 IAC 5-5-1](#) IS AMENDED TO READ AS FOLLOWS:

**[405 IAC 5-5-1](#) Out-of-state services; general**

**Authority:** [IC 12-15-1-10](#); [IC 12-15-1-15](#); [IC 12-15-21-2](#); [IC 12-15-21-3](#)

**Affected:** [IC 12-15](#); [IC 12-17.6](#)

Sec. 1. **(a)** Medicaid reimbursement is available for the following services provided outside Indiana **as determined by the office and subject to the restrictions outlined in this rule.**

- (1) ~~Acute general hospital care.~~
- (2) ~~Physician services.~~
- (3) ~~Dental services.~~
- (4) ~~Pharmacy services.~~
- (5) ~~Transportation services.~~
- (6) ~~Therapy services.~~
- (7) ~~Podiatry services.~~
- (8) ~~Chiropractic services.~~
- (9) ~~Durable medical equipment and supplies.~~
- (10) ~~Hospice services, subject to the conditions in [405 IAC 5-34-3](#).~~
- (11) ~~Diagnostic services, including genetic testing.~~

**(b)** Areas may be designated by the office as in-state in relation to prior authorization requirements and for the purposes of reimbursement under any of the following circumstances:

- (1)** To increase access to medically necessary services in areas where the distance to an in-state facility would subject the member, or member's family, to significant financial hardship or create an unnecessary significant burden on the Medicaid member.
- (2)** To allow members to retain a primary medical provider or obtain specialty services from a facility, such as centers of excellence, when the care may not be available from an in-state provider or would require significant hardship due to geographic location.
- (3)** Transportation to an appropriate Indiana facility would cause significant undue expense or hardship to the member or the office.
- (4)** To address an emergency health crisis.

**(c)** Areas designated by the office as in-state pursuant to this section are not subject to the hospital assessment fees at [405 IAC 1-8-5](#) and [405 IAC 1-10.5-7](#).

*(Office of the Secretary of Family and Social Services; [405 IAC 5-5-1](#); filed Jul 25, 1997, 4:00 p.m.: 20 IR 3308; filed Mar 9, 1998, 9:30 a.m.: 21 IR 2379; readopted filed Jun 27, 2001, 9:40 a.m.: 24 IR 3822; filed Feb 3, 2006, 2:00 p.m.: 29 IR 1904; readopted filed Sep 19, 2007, 12:16 p.m.: [20071010-IR-405070311RFA](#); readopted filed Oct 28, 2013, 3:18 p.m.: [20131127-IR-405130241RFA](#))*

SECTION 2. [405 IAC 5-5-2](#) IS AMENDED TO READ AS FOLLOWS:

**[405 IAC 5-5-2](#) Prior authorization requirements for out-of-state services**

Authority: [IC 12-15-1-10](#); [IC 12-15-1-15](#); [IC 12-15-21-2](#); [IC 12-15-21-3](#)

Affected: [IC 12-15](#); [IC 12-17.6](#)

Sec. 2. (a) ~~The Services listed in section 1 of this rule~~ **provided out-of-state** require prior authorization except as follows:

(1) Emergency services provided out-of-state are exempt from prior authorization; however, continuation of inpatient treatment and hospitalization is subject to the prior authorization requirements of ~~Indiana~~ **the office**.

(2) Members of the adoption assistance program placed outside of Indiana will receive approval for all routine medical and dental care provided out-of-state.

~~(3) Recipients may obtain services listed in section 1 of this rule in the following designated out-of-state cities subject to the prior authorization requirements for in-state services set out in this article:~~

~~(A) Louisville, Kentucky.~~

~~(B) Cincinnati, Ohio.~~

~~(C) Harrison, Ohio.~~

~~(D) Hamilton, Ohio.~~

~~(E) Oxford, Ohio.~~

~~(F) Sturgis, Michigan.~~

~~(G) Watseka, Illinois.~~

~~(H) Danville, Illinois.~~

~~(I) Owensboro, Kentucky.~~

~~(4) Recipients may obtain services in Chicago, Illinois, subject to all of the following conditions:~~

~~(A) The recipient's physician determines the service is medically necessary.~~

~~(B) Transportation to an appropriate Indiana facility would cause undue hardship to the patient or the patient's family.~~

~~(C) The service is not available in the immediate area.~~

~~(D) The recipient's physician complies with all of the criteria set forth in this article, in accordance with the state plan and 42 CFR 456.3.~~

(b) Prior authorization will not be approved for the following services outside of Indiana: ~~and are not covered outside of Indiana for designated cities listed in subsection (a)(3) through (a)(4):~~

(1) Nursing facilities, ICFs/IID, or home health agency services.

(2) Any other type of long term care facility, including facilities directly associated with or part of an acute general hospital.

(c) Prior authorization may be granted for any time period from one (1) day to one (1) year for out-of-state medical services ~~listed in section 1 of this rule~~ if the service is medically necessary and any one (1) of the following criteria is also met:

(1) The service is not available in Indiana. However, care provided by out-of-state Veterans Administration ~~and Shrine hospitals~~ **facilities** is an exception to this requirement.

(2) The member has received services from the provider previously.

(3) Transportation to an appropriate Indiana facility would cause undue expense or hardship to the member or Medicaid.

(4) The out-of-state provider is a regional treatment center or distributor.

(5) The out-of-state provider is significantly less expensive than the Indiana providers. ~~for example, large laboratories versus an individual pathologist.~~

*(Office of the Secretary of Family and Social Services; [405 IAC 5-5-2](#); filed Jul 25, 1997, 4:00 p.m.: 20 IR 3308; filed Sep 27, 1999, 8:55 a.m.: 23 IR 309; readopted filed Jun 27, 2001, 9:40 a.m.: 24 IR 3822; readopted filed Sep 19, 2007, 12:16 p.m.: [20071010-IR-405070311RFA](#); readopted filed Oct 28, 2013, 3:18 p.m.: [20131127-IR-405130241RFA](#); filed Aug 1, 2016, 3:44 p.m.: [20160831-IR-405150418FRA](#); errata filed Nov 1, 2016, 9:36 a.m.: [20161109-IR-405160493ACA](#))*

### [Notice of Public Hearing](#)

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